**NATIONAL ASSEMBLY QUESTION FOR WRITTEN REPLY QUESTION NUMBER: 3866**

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**3866. Mrs G Opperman (DA) to ask the Minister of Social Development: [744][ Question submitted for oral reply now placed for written reply because it is in excess of quota (Rule 137(8))]**

What steps will her department take to address the increase in irregular expenditure from R3 million in the 2020-21 financial year to R 14,6 million in the 2021-22 financial year?

NO4818E

**REPLY:**

The following steps have been taken by the Department in an effort to reduce irregular expenditure going forward.

1. The Supply Chain Management unit has undergone internal training on fraud and corruption indicators. This training was considered essential to ensure that the unit is capacitated on these aspects.
2. The Supply Chain Management officials and Bid Committees officials continuously attend relevant training that is coordinated by the National Treasury.
3. The CFO has written a letter to the National Treasury requesting assistance with price index and Central Supplier Database (CSD) compliance issues.
4. A Contract Management unit will also be incorporated within the Supply Chain Management Unit. The Contract Management team will monitor the SITA

transversal contracts for updates and validity to ensure that all SITA transversal contracts that the department utilises are valid during the procurement process.

1. The SCM Policy will be reviewed during the month of November 2022. The irregular expenditure cases have been referred to Internal Control for investigation. The outcome of the investigations will determine if any official is liable for the expenditure and the Directorate Labour Relations will assist with the disciplinary processes.
2. Over and abovementioned preventative, detective, and corrective control measures, the SCM staff and the Finance management, in general, will attend the root cause identification training for empowering the entire SCM officials to identify any non-compliance to prevent potential irregular, fruitless and wasteful expenditure before they are realised in the departments underlying accounting records.
3. The department’s governance structures such as risk management and the internal audit units will also work closely with management to provide advisory services while internal audit will also provide assurance services.